THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) No,Sir.

(b) and (c) Do not arise.

Protection of Indian Mutual Funds Industry

1677. SHRI SURESH KALMADI: Will the Minister of FINANCE be pleased to state:

(a) whether Government are aware that the U.S. based Principal Financial Group is on a buying spree in India to dominate the Indian Mutual Funds Industry;

(b) if so, the details of their deals during the last two years and of their financial position in our country; and

(c) whether Government are considering proposals to privide protection to Indian Mutual Funds Industry facing tough competition from the above group?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) and (b) Principal Mutual Fund is a Mutual Fund registered with SEBI. It has 12 schemes. In May, 2003, principal Mutual Fund had acquired the remaining 50% stake of IDBI in its joint venture IDBI-Principal Mutual Fund. It has applied for acquiring 10 schemes of SUN F&C Mutual Fund.

(c) SEBI has made it mandatory for Mutual Funds acquiring schemes to inform all unit holders individually about relevant details and give them an exit option at the prevailing NAV without levying any exit load.

Structural adjustment loans for Maharashtra

1678. SHRI SURESH KALMADI: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the Central Government have received proposal from the Government of Maharashtra to get a structural adjustment loan from World Bank to restructure its old high-cost debts with the new less expensive ones;

(b) if so, the details of the action taken on the proposal; and

(c) whether Government have received similar proposal from other

States during the last three years; if so, the action taken thereon?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) Government of Maharashtra have requested for a Structural Adjustment Loan (SAL) of US $ 750 million equivalent to Rs. 3750 crores from the World Bank.

(b) The proposal has been examined and it has not been found feasible to pose it to World Bank in view of the limited availability of Funds for SAL assistance and proposals of other States already posed to Bank.

(c) Yes Sir. During the last three years, SAL facility was availed of by AP, Karnataka and UP. Requests for SAL from Orissa, Tamil Nadu, Punjab and Maharashtra and requests for subsequent branch from AP, UP and Karnataka received during the period were examined and the proposals from AP, Orissa, Karnataka and Tamil Nadu stand posed to the World Bank.

Enhancement of customs duty on old ships

1679. DR. A.K. PATEL:
SHRI BACHANI LEKHRAJ:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government have enhanced customs duty on old ships from 5 to 15 per cent;

(b) whether Government have received representations regarding reduction in customs duty from Ship Breaker Association/Government of Gujarat; and

(c) if so, Government's reaction thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) The basic customs duty on old ships for breaking up was enhanced from 5% to 15% as part of changes made in 2002-2003 budget. However, such ships were simultaneously exempted from the additional duty of customs (CVD) of 16% and the special additional duty of customs (SAD) of 4%. Thus total incidence of customs duty in fact had come down.

(b) Yes, Sir.